

**DETAILED ACTION**

***Prosecution History Summary***

Claims 1-39, 42, 54, 66, and 68-70 have been cancelled.

Claims 40-41, 43-53, 55-65, 67, and 71 are pending and rejected.

***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114 was filed in this application after a decision by the Board of Patent Appeals and Interferences, but before the filing of a Notice of Appeal to the Court of Appeals for the Federal Circuit or the commencement of a civil action. Since this application is eligible for continued examination under 37 CFR 1.114 and the fee set forth in 37 CFR 1.17(e) has been timely paid, the appeal has been withdrawn pursuant to 37 CFR 1.114 and prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 5/26/2010 has been entered.

***Interview Summary/Proposed Amendment***

Applicant's Attorney Jon Isaacson was contacted to discuss potential amendments to place the claims in condition for allowance. A proposed amendment to claim 40 was provided, and it was indicated that similar amendments were to be made to the remaining independent claims. In light of the amendments, the Examiner noted that there existed numerous issues under 35 USC 112 and 101. Additionally, the amendments were proposed to overcome new art, including the newly cited Wiser and Hamada. After discussion, Applicant has chosen not to enter the proposed amendments.

***Proposed Amendment***

40. (Currently amended) A method for charging a consumer in response to permanently storing a music selection, the method comprising:

receiving a consumer request for a at least one music selection;

responsive to said consumer request, transmitting the at least one music selection along with pricing information for the at least one music selection to a consumer station located at a consumer site, the consumer station comprising at least ~~to~~ an intermediate storage medium at a consumer site;

storing the at least one music selection and the pricing information for the at least one music selection in the intermediate storage medium;

periodically transmitting updated pricing information to the consumer station, the updated pricing information associated to the at least one music selection;

receiving, from the consumer via the consumer workstation, a request to purchase the at least one music selection in response to the updated pricing information, the request to

purchase indicated by a request to permanently store the at least one music selection in a permanent storage medium;

recording, in its entirety, the at least one music selection in the permanent storage medium;

responsive to recording the at least one music selection in its entirety in the permanent storage medium, automatically charging the consumer for the at least one music selection in accordance with the updated pricing information.

receiving an indication that at least a portion of the music selection has been recorded from the intermediate storage medium to a permanent storage medium located at the consumer site; and

responsive to said indication, automatically charging the consumer for the music selection[.]]

### ***Allowable Subject Matter***

Claims 45-46 and related claims 57-58 are noted as being dependent upon a rejected base claim, but would be allowable if:

(1) rewritten in independent form including all of the limitations of the base claim and any intervening claims, and

(2) any rejections under 35 USC 101, 112, etc. are overcome.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 40-41, 43-53, 55-65, 67, and 71 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

**Regarding claims 40-41 and 43-51**, a method claim must meet a specialized, limited meaning to qualify as a patent-eligible process claim. One tool for assisting in determining whether the claimed invention is directed to a statutory process under 35 USC 101 is the "machine-or-transformation" test. If a claimed method meets the "machine-or-transformation" test, the method is likely patent-eligible under 35 USC 101 unless there is a clear indication that the method is directed to an abstract idea. If a claimed method does not meet the "machine-or-transformation" test, the claim will be considered directed to a non-statutory process unless there is a clear indication that the method is not directed to an abstract idea.

An analysis of method claims using the "machine-or-transformation" test seeks to determine whether the claimed method is (1) tied to a particular machine or apparatus, or (2) transforms a particular article to a different state or thing. In addition, mere field of use limitations or limitations reciting insignificant extra-solution activity will not transform an unpatentable process into a patentable one as the machine or transformation must impose meaningful limits on the method claim's scope.

Though reciting the presence of machines such as an intermediate storage medium and a permanent storage medium, the recited steps do not tie to the recited machines in such a way as to create meaningful limits on the claim scope. More particularly, the recited machines are merely used in the storage of music selections themselves rather than the performance of the

recited steps. The recited steps of receiving, transmitting, receiving, and charging fail to link specifically to any machine or apparatus, let alone a *particular* machine or apparatus. Moreover, even assuming *arguendo* that some portion of the recited steps are linked to a machine, the portion of the steps linked to the machine merely represent the transmission and storage of data and thus fail to create a meaningful limit as required above.

Further to the analysis as to whether the claims recite a statutory process under 35 USC 101, there is nothing of record which clearly indicates that the method recited is not directed to an abstract idea.

Accordingly, these claims fail to set forth a statutory process under 35 USC 101.

**Regarding claims 52-53 and 55-63,** claims that recite nothing but the physical characteristics of a form of energy, such as a frequency, voltage, or the strength of a magnetic field, define energy or magnetism, per se, and as such are nonstatutory natural phenomena. O'Reilly, 56 U.S. (15 How.) at 112-14. Merely claiming nonfunctional descriptive material (i.e. abstract ideas) as a computer readable medium does not make a claim statutory. See Diehr, 450 U.S. at 185-86 USPQ at 8. Moreover, a claimed signal does not itself have physical structure nor does a claimed signal perform any useful, concrete, or tangible result. Thereby, a signal, which is a form of energy and an abstract idea, does not fall within one of the four statutory classes of subject matter.

Although Applicant's specification described various media such as permanent and intermediate storage media (e.g. hard disk, cd, etc.), as well as transmission media (e.g. satellite transmission media), Applicant does not link any particular media to a "computer readable medium" as recited in the claim. In fact, Applicant's specification is silent as to a "computer readable medium having computer executable instructions". In such instances,

available prior art has shown that a broad and reasonable interpretation is that a computer readable medium can include both statutory (e.g. RAM, ROM, hard disk, etc.) and non-statutory media (e.g. wave, signal, infrared, etc.). Claims 52-53 and 55-63 are hereby rejected as including at least non-statutory media.

**Regarding claims 64, 65, 67, and 71**, claims to computer-related inventions that are clearly nonstatutory fall into the same general categories as nonstatutory claims in other arts, namely natural phenomena such as magnetism, and abstract ideas or laws of nature which constitute "descriptive material." Abstract ideas, Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759, or the mere manipulation of abstract ideas, Schrader, 22 F.3d at 292-93, 30 USPQ2d at 1457-58, are not patentable. Descriptive material can be characterized as either "functional descriptive material" or "nonfunctional descriptive material." Both types of "descriptive material" are nonstatutory when claimed as descriptive material per se. Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759. When functional descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases since use of technology permits the function of the descriptive material to be realized.

Claim 64 recites various mechanism that, as best understood by the Examiner, are drawn to specific program functionality and not necessarily to any structure. As such, the claims are directed to software per se and thereby constitute non-statutory subject matter.

***Claim Rejections - 35 USC § 112 – First Paragraph***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

**Claims 40-41, 43-53, 55-65, 67, and 71 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.**

**Regarding claims 40-41 and 43-51**, claim 40 recites various features not supported by the original disclosure. For example, newly amended claim 40 recites "receiving an indication"; however, there is no express support for the transmission or reception of an indication. At most, the reception of an indication is implied but never described by the specification.

To the same accord, even assuming that there is enough of an implication to support receiving an indication, Applicant's specification fails to describe where the indication indicates that "at least a portion of said music selection has been recorded *from said intermediate storage medium to a permanent storage medium*". For example, the following are representative quotations appearing in Applicant's specification:

- Page 8, lines 18-21 recite where "the customer may preview the stored music for free and thereafter decide whether to purchase a permanent copy. If the purchase decision is made, a full quality CD is recorded via a CD writer that may be part of the user station".
- Page 26, lines 11-17 recite "on the designated "music channel" until the requested recording is downloaded to intermediate storage in storage module 130. When the

download is completed, the customer user interface flashes a cue such as "YOU'VE GOT TUNES", following which the customer may permanently record the music, with automatic billing that appears on the customer's consolidated monthly statement. This hourly transmission of top requested recordings

As can be seen, although the specification is supportive of storing a music selection in intermediate storage and sometime thereafter permanently storing the music selection, nowhere in Applicant's specification is there support for recording *from* the intermediate storage to permanent storage. Furthermore, as there is no support for recording from intermediate storage to permanent storage, there can be no support for receiving an indication that such has taken place.

For examination purposes, the step will be interpreted as "receiving an indication that at least a portion of the music selection has been stored in intermediate storage and subsequently stored in permanent storage" (i.e. not necessarily transferred from intermediate to permanent storage).

**Additionally, claims 52-53, 55-63, 64-65, 67, and 71** recite similar features as noted above and are thereby rejected for at least the above rationale.

For at least the reasons above, the newly amended claims lack written correspondence in the specification and are thereby properly rejected under 35 USC 112, First Paragraph.



***Claim Rejections - 35 USC § 112 – Second Paragraph***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

**Claims 64-65, 67, and 71 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

**Regarding claims 64-65, 67, and 71,** claim 64 recites multiple mechanisms for performing the recited functionality of the claim; however, the specification does not clearly describe corresponding structure for each mechanism. As such, what may or may not comprise the recited mechanisms and what is required by the claim is unclear.

**Further regarding claims 64-65, 67, and 71,** the preamble recites a system, the system comprising various features denoted “mechanisms”. The body of the claim, however, is not commensurate with understood definition of a system or apparatus. More specifically, the various recited elements fail to provide any structure and merely recite functionally descriptive material and abstract ideas. It is thereby unclear what structure the system is comprised of and how the various features combine to form a system or apparatus.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 40-41, 48-51, 52-53, 60-63, 64-65, 67, and 71 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wiser (US 7263497) in view of Hamada (US 6792007).**

**Regarding claim 40,** Wiser teaches a method comprising:

*receiving a consumer request for a music selection* [see at least: col. 12 lines 12-19, col. 17 lines 21-33, Fig. 7 #702-704, Fig. 8, Fig. 14];

*responsive to said consumer request, transmitting the music selection to an intermediate storage medium at a consumer site* [see at least: col. 12 lines 12-19, col. 13 lines 57-63, col. 18 lines 6-19 and 39-51, col. 18 line 63-col. 19 line 10, Fig. 7 #710-730];

*receiving an indication that at least a portion of the music selection has been recorded in said intermediate storage medium* and that a subsequent request to purchase the media selection, said purchase request including a request to store the music selection in a permanent storage medium at said consumer site [see at least: col. 12 lines 12-19, col. 19 lines 18-22, col. 20 lines 45-49 and 56-57, col. 21 lines 41-46, col. 22 lines 56-58, col. 29 lines 4-12, col. 31 lines 24-37];

*responsive to said indication, automatically charging the consumer for the music selection* [see at least: col. 19 lines 28-43, col. 20 lines 56-57, col. 21 lines 1-4 and 26-35].

Though teaching all of the above including receiving an indication a subsequent request to purchase the media selection, said purchase request including a request to store the music selection in a permanent storage medium at said consumer site, Wiser only teaches where charging is done prior to the storage of the media in permanent storage media. In other words, Wiser does not expressly teach where the charging *is in response to an indication that at least a portion of the media has been stored in a permanent storage medium at the consumer site* (i.e. charging takes place after the media is permanently stored).

In the same field of endeavor, Hamada teaches a system and method for distribution of media content. More importantly, Hamada teaches where the charging *is in response to an indication that at least a portion of the media has been stored in a permanent storage medium at the consumer site* [see at least: col. 6 lines 36-52, col. 7 lines 55-67, Fig. 14 #s206-208].

It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wiser to have included the noted features as taught by Hamada because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results. Moreover, the invention of Hamada would improve the invention of Wiser by providing a system and method which are more capable of ensuring the protection of data with respect to illicit transfer of specific data [see at least: Hamada, col. 2 lines 17-24].

**Regarding claim 41**, the combination further teaches where *the automatically charging is done electronically* [see at least: Wiser, col. 19 lines 28-43, col. 20 lines 56-57, col. 21 lines 1-4 and 26-35].

**Regarding claim 48**, the combination further teaches *transmitting to the consumer site, for storage on a storage medium at the consumer site, information identifying music selections available for transmission to the intermediate storage medium* [see at least: Wiser, Fig. 8, Fig. 14].

The combination would have been obvious for at least the reasons above.

**Regarding claim 49**, the combination further teaches *before automatically charging the consumer for the music selection, receiving an indication that the entire music selection has been recorded on the permanent storage medium* [see at least: Hamada, col. 6 lines 36-52, col. 7 lines 55-67].

The combination would have been obvious for at least the reasons above.

**Regarding claim 50**, Wiser further teaches *communicating an order of said music selection to a central controller, transferring copies of records of said order to a transmission scheduler*, [see at least: col. 13 lines 64-67, col. 18 lines 26-51, Fig. 1 #112 and 118, Fig. 7 #710-730 (Note: content manager/delivery server are analogous to a *central controller* and *transmission scheduler*) and

*communicating schedules created by said transmission scheduler to an uplink facility for transmission of said order* [see at least: col. 17 lines 29-41, col. 19 lines 18-22, col. 20 lines 56-57, col. 21 lines 41-46, col. 29 lines 4-12, col. 31 lines 24-37]. .

Hamada teaches the missing steps of a *satellite uplink and transmitting via satellite said order to said customer site* [see at least: col. 4 lines 50-62, Fig. 1, Fig. 14].

The combination would have been obvious for at least the reasons above.

**Regarding claim 51**, the combination teaches *an action selected from the group consisting of: using a home personal computer for ordering said music selection, using a cell phone for ordering said music selection, using a PDA wireless device for ordering said music selection; ordering said music selection via wireless application protocol* [see at least: Wisner, col. 12 lines 12-19, col. 13 lines 57-63, col. 18 lines 6-19 and 39-51, col. 18 line 63-col. 19 line 10, Fig. 7 #710-730].

**Regarding claims 52-53 and 60-63, as well as claims 64-65, 67, and 71**, these claims closely parallel claims 40-41 and 48-51 and are thereby rejected for at least similar rationale.

**Claims 43 and 55 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wiser in view of Hamada as applied above, in further view of PTO form 892 reference U (892u).**

**Regarding claim 43 and related claim 55,** Wiser in view of Hamada teaches :  
*informing the consumer that the music selection is available for transmission to an intermediate storage medium of a music sharing system and*  
*providing a mechanism for the consumer to request the music selection while at a website of the music sharing system* [see at least: Wiser, col. 12 lines 12-19, col. 17 lines 22-27, Fig. 1 #126, , Fig. 8].

Wiser in view of Hamada, however, does not expressly teach where the music sharing system is a *peer to peer* system .

In the same field of endeavor, 892u teaches the advent of Napster.com – a website/software supporting a virtual community and search engine that makes it a good way to find MP3 files and associated resources. In this regard, 892u teaches where the music sharing system is a *peer to peer* sharing system.

It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wiser in view of Hamada to have included the noted features as taught by 892u because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results. Moreover, 892u would improve the invention of Wiser and Hamada by providing a virtual community for sharing media that combines almost all needed functions such as searching and downloading desired media into a single application [see at least: 892u].

**Claims 44 and 56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wiser in view of Hamada in view of PTO form 892 reference U (892u) as applied to claims 43 and 55, and further in view of Wolff (6247047).**

**Regarding claim 44 and related claim 56**, the combination of Wiser, Hamada, and 892u teaches all of the above including *making music available for transmission to the intermediate storage medium* (Wiser) and further where the music sharing system includes a *peer to peer system* (892u). The combination, however, does not expressly teach *paying an operator of said peer to peer music sharing system for advertising*.

In the field of electronic commerce, Wolff teaches the payment of a fee to a sponsor server (*operator*) by a merchant for advertising [see at least: col. 7 lines 21-25].

It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wiser in view of Hamada in view of 892u to have included the noted features as taught by Wolff because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results. Moreover, the invention of Wolff would improve the system and method of Wiser, Hamada, and 892u by providing a banner advertising transaction enabling system on a computer network such as the Internet for use even by merchants with little or no presence on the computer network, therein crating a system that is inexpensive compared with conventional banner advertising systems [see at least: Wolff, col. 3 lines 31-36].

**Claims 47 and 59 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wiser in view of Hamada in view of PTO form 892 reference U (892u) as applied to claims 43 and 55, and further in view of Allen (US 20030036974).**

**Regarding claim 47 and related claim 59**, the combination of Wiser, Hamada, and 892u teaches all of the above including making music available for transmission to the intermediate storage medium (Wiser) and further where the music sharing system includes a peer to peer system (892u). The combination, however, does not expressly teach *creating a profile from customer preference information*.

In the same field of endeavor, Allen teaches a content distribution system including *creating a profile from customer preference information* [see at least: 0013, 0078-0080].

It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Wiser in view of Hamada in view of 892u to have included the noted features as taught by Allen because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results. Moreover, the invention of Allen would improve the system and method of Wiser, Hamada, and 892u by promoting to a specific consumer those items which such consumer's previous system activities indicate he or she may be predisposed to purchase (or show additional interest in) [see at least: Allen, 0013].



***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- US 6959220 B1 and US 6385596 B1 disclose related subject matter to the above cited Wisner reference
- US 6247130 B1 discloses a distribution of musical products by a web site vendor over the internet [see abstract, col. 6 lines 21-27]
- WO 9918518 A2 discloses an internet based musical indexing system for radio [see p7 lines 16-21 and 25-29, p7 lines 32-p8 line 6]

Any inquiry concerning this communication or earlier communications from the examiner should be directed to WILLIAM ALLEN whose telephone number is (571)272-1443. The examiner can normally be reached on Monday-Friday, 9:00am - 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeff Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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